

THE CONNECTION

WINTER 2004

A QUARTERLY PUBLICATION FROM THE ACCOUNTING DIVISION OF WASHINGTON STATE'S OFFICE OF FINANCIAL MANAGEMENT

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If you have questions or comments on any information contained in *The Connection*, please contact Vivian Pendleton at (360) 664-7654 or e-mail: vivian.pendleton@ofm.wa.gov

SPS is Here!!

The new *Salary Projection System* (SPS), which provides a web-based, graphical user interface replacement to BPS1, was released on November 3, 2003.



In addition to having a more pleasant look and feel to it, the system gives users:

- The advantage of an on-line listing for easy viewing and navigation of positions within a file,
- The ability to view reports prior to printing, and
- The option of saving projection results in their own file for easy reporting on future dates. BPS1 will continue to be available to agencies as they transition to SPS.

Training for SPS is now available. You can attend a training class by registering on-line at <http://www.ofm.wa.gov/training.htm>. Or, a tutorial walk-through manual is available in the BASS Library (Help) under SPS.

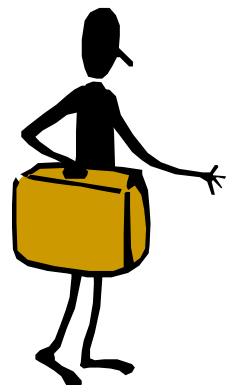
For questions on SPS or other BASS products, please contact the BASS Help Line at (360) 725-5278 or e-mail bass-request@listserv.wa.gov.

Attention Travelers

New airfare purchase options, sponsored by the Department of General Administration, will be available on January 1, 2004.

Travelers will be able to secure airfare, lodging and rental car reservations on-line through Boersma Travel. For more information on this exciting new approach to making travel arrangements, including details on training to be provided by Boersma, please visit <http://www.washington.travelasp.com>.

In addition, the *mileage reimbursement rate* for privately owned vehicles is going up from \$.345 to \$.375, effective January 1, 2004.





Sadie Rodriguez-Hawkins

Happy New Year!

*What are you
looking forward to
in the next year?
The next ten years?
Isn't it exciting to
imagine all the
possibilities the
future holds?*

- Anonymous

Comments from the Assistant Director

Looking Back While Moving Forward

During a recent lunch, a dear friend invited me to share highlights of 2003 and my expectations for the New Year. I found the exercise rewarding and invite you to take a few moments to do the same.

The Year 2003 brought me cycles of continual change, the capacity to deal with it productively (usually), and a great group of people to work with. It also provided countless opportunities for me to "let go." I bid farewell to colleagues pursuing new opportunities. I bid farewell to my dear sister-in-law who lost a short, but courageous, battle to cancer. And, I bid farewell to old habits as I cultivated new ones that garnered greater results. In particular, I learned to risk more and to allow myself the experience of new ways of being and doing – both personally and professionally.

My wishes for 2004 span the global to the personal. On a global level, I wish for world peace and a life for everyone that can only get better from this day forward. In the workplace, I wish for my colleagues and myself a safe and productive work environment and the tools to do our jobs. For family and friends, I wish them meaningful, long lives with no more losses. For myself, I wish for a healthier lifestyle, less stress and a greater capacity to give and forgive.

Over time, I have learned how important it is to *look back while moving forward*. While we cannot denigrate the past, we can respect and honor the things that have transpired and use the wisdom of the experience to build a solid foundation for the future.

Marilyn Ferguson, an American futurist, once said,

It's not so much that we're afraid of change or so in love with the old ways, but it's that place in between that we fear.... It's like being between trapezes. It's Linus when his blanket is in the dryer – there's nothing to hold on to.

Without a doubt, 2004 will bring its share of changes. We too will enter a time that is *"like being between trapezes."* In State government, some of these changes will be associated with the Personnel Services Reform Act (PSRA). PSRA will bring us many long-awaited efficiencies and rule changes, with the capacity to make our jobs simpler and much more productive. Until then, however, we may experience times that could appear as though we have *nothing to hold on to*, because life as we know it today will cease to be.

During these transitional times, the challenge for us will be to maintain a stronger connection with each other, ensure that our lines of communication include everyone in the organization, and remember that a new trapeze is on the way.

We wish you a very Happy and Prosperous New Year, as you too *look back while moving forward*.

Enterprise Reporting Update

New Features and Reports For Customers – Through Release 11

The Enterprise Reporting Team's goal is not only to keep the system running and provide customer support, but to also ensure more predictable systems performance. To this end, we continue to enhance existing features as we transition from AFRS reports to Enterprise Reporting. The following enhancements are planned for *Release 11*:

- Add Batch Type and Document Number as selection parameters in the Expenditure Activity Flexible reports to allow customers to do lower level filtering,
- Add more flavor and flexibility to the Encumbrance Reports, and
- Make project-to-date information available in FASTRACK, so new reports can be developed that provide the complete financial status for projects.

A New Reporting Tool Is In the Works

A multi-agency evaluation team recently selected Crystal Enterprise 10 as a new reporting tool. The selection criteria consisted of overall cost implications, functional and technical requirements, strategic fit with the state's short- and long-term needs, vendor viability and product support.

Crystal Enterprise 10 was chosen because it excels in areas of overall performance, key features and functions, and the ability to enable direct access to multiple data sources through ad hoc query tools. This statewide common reporting tool will leverage the state's investment in software licenses, training for users, technical expertise of IT staff and the use of existing Crystal Reports.

The evaluation team, comprised of representatives from the Departments of Information Services, General Administration, Personnel and the Office of Financial Management, will now move to the next step - *Proof of Concept* (POC). POC is necessary to validate performance, reliability, usability, manageability, scalability and the levels of adaptability of the overall system.

During the POC stage, there will be an opportunity to collaborate with the new Human Resources Management System and deliver reports, using a common reporting tool set and an interface that can be used jointly by HR and Enterprise Reporting. Planning and conversion of FASTRACK reports will begin after POC and will be available by July 2005.

Watch for announcements of the POC completion and get in on a chance to see a demonstration of this great, new reporting system. For more information or questions, please contact Ann Bruner at ann.bruner@ofm.wa.gov / (360) 664-7711 or Muoi Nguy at muoi.nguy@ofm.wa.gov / (360) 664-7699.

FYI Link – Check It Out



The final report on the *Human Resource Baseline and Benchmarking Project* is in. The Department of Personnel (DOP) and Office of Financial Management (OFM) launched this project to:

- Prepare for the implementation of the Human Resources Management System needed to support the Personnel Services Reform Act of 2002
- Respond to Governor Locke's mandate to adopt best practices in order to reduce the cost of state government's "back office"

For an overview of the project report and the next steps, please click the following link: <http://hr.dop.wa.gov/hrreform/baseline/Benchmark%20summary%20final%20report12-03.ppt>

With the completion of the HR Benchmark Project in December, DOP and OFM are turning their attention to the second half of the project – *The Financial Benchmark*. Please see related article on page 5.



Just Keeps Getting Better!

An improved version of the Travel Voucher System (TVS), incorporating the following changes, will be released on January 2, 2004.

Accounting System Changes

- TVS' *record layout has been expanded* to conform to the new 950 character record layout of the state's accounting system (AFRS). As part of this expansion, the *invoice field has been increased* to 30 characters and two additional accounting fields have been added – 'Account' and 'Invoice Date'. This will allow TVS users, if necessary, to implement changes to their payment process before the AFRS implementation deadline of January 2005.
- The same *auto-fill functionality as the one currently available in AFRS* makes inputting account information easier and more efficient. Fiscal personnel can now enter partial account code information within selected fields and TVS will complete the entry for them.
- *Fiscal input batch edits are now in place* to prevent accounting errors from occurring when submitting travel vouchers for payment.

General System Changes

- Travelers can now *use more keyboard function keys* in processing their travel voucher – less dependency on using the mouse.
- *E-mail notification has been expanded* to include all individual roles in TVS processing.
- Travel vouchers that are in the process of being batched for payment are *now displayed on the manager / supervisor review screen*.

If you have any questions about these additions, please contact Owen Barbeau at owen.barbeau@ofm.wa.gov / (360) 664-7766.

We invite those of you who have not experienced the benefits of TVS to visit our website for an overview of this dynamic system at: <http://www.ofm.wa.gov/accounting/statewide.htm#accounting>.

Another Year, Another CAFR

Published according to GASB 34 Standards

In December 2003, Statewide Accounting published the state's Fiscal Year 2003 *Comprehensive Annual Financial Report* (CAFR). This is the second year we have reported in accordance with the new reporting standards required by the Governmental Accounting Standard Board's Statement 34 (GASB 34).

The CAFR is the result of a great deal of hard work by staff at OFM and fiscal personnel across the state. We thank all of you for your contributions throughout the year and during the fiscal year-end closing process.

We would like to share the new CAFR with you and invite you to view it at: <http://www.ofm.wa.gov/accounting/financial.htm>.

In line with the state's sustainability efforts, we are limiting the number of printed copies and will be referring requests for paper copies to the on-line version.

If you have any questions or comments, please contact Wendy Jarrett at wendy.jarrett@ofm.wa.gov / (360) 664-7675.

Latest Audit Resolution Report – Available for On-Line Viewing

The *Audit Resolution Report* was issued to the Legislature in December 2003.

This report summarizes the resolution status of 31 audit exceptions for 16 agencies issued by the State Auditor's Office from December 2002 through November 2003.

The exceptions noted in the Statewide Accountability Report and special audit reports are also included.

We invite you to view the *Audit Resolution Report* at <http://www.ofm.wa.gov/reports/reports.htm>.

Financial Benchmark Project – About To Begin

With the completion of the HR Benchmark Project in December, DOP and OFM are turning their attention to the second half of the project – the *Financial Benchmark*.

The project will identify financial processes that are overly complex, cumbersome, or duplicative and establish a yardstick against which process improvements can be made. In addition, the project will identify opportunities for improving processes and developing tighter integration among the state's "back office" systems.

The process will be similar to the HR Benchmark initiative and twelve agencies will be invited to participate:

Office of the Attorney General, Employment Security Department, Department of Information Services, Department of General Administration, Department of Corrections, Department of Labor and Industries, Department of Licensing, the Office of Financial Management, Department of Personnel, Department Of Printing, Department of Revenue and the Washington State Patrol.

Following a kickoff meeting in late January 2004, Mercer and Sierra Systems will assist Agency Coordinators in tailoring a proprietary survey instrument to fit the state government environment. The web-enabled survey will be sent to financial officers and workers in the twelve agencies. OFM is hoping to duplicate the response to the HR survey with a 100% participation rate.

Once the surveys are completed, Mercer and Sierra will analyze the results, conduct interviews or focus groups to "fill in the information gaps," and compile the findings. A final report to OFM and the other participating agencies is expected in mid May 2004.

For more information about the Financial Benchmark Project contact Kathy Rosmond, OFM Project Manager, at kathy.rosmond@ofm.wa.gov / (360) 664-7771.

CAMS/FIS/AR Feasibility Study

Statewide Financial Systems has begun preparation to contract out for two feasibility studies.

One study will examine the feasibility of combining and replacing the Capital Asset Management System (CAMS) and the Facilities Inventory System (FIS).

These systems are outdated and no longer meet the emerging needs of agencies for asset and facilities management. Much of the basic functionality and output of CAMS and FIS appear to be very similar. As part of the study, we are requesting a recommendation on the feasibility of developing or purchasing one system to replace CAMS and FIS.

The other study will examine alternatives for replacement of the Accounts Receivable System (AR). We currently operate a version of Solomon AR that has been highly customized to meet our customer needs.

This extensive customization makes it difficult to upgrade to newer versions of Solomon. Therefore, no upgrades have been done for several years, and the current version of Solomon is no longer supported.

Scope of the Feasibility Studies

- Define the requirements for the three systems
- Develop a business case for enhancing or replacing the systems
- Identify alternative solutions for enhancement or replacement of the systems
- Identify recommended solutions
- Develop cost benefit analysis for the recommended solutions
- Develop implementation work plans for the recommended solutions

We Invite you to participate

We will be seeking assistance from agencies in defining the requirements for these systems. Please let us know if you would be willing to assist us in this project.

If you would like more information about the CAMS/FIS feasibility study, please contact wayne.johns@ofm.wa.gov / (360) 664-7693. Information about the AR feasibility study can be obtained from art.overman@ofm.wa.gov / (360) 725-5271.



All About SAAM...

Statewide Accounting has revised several chapters of the state of Washington's *State Administrative and Accounting Manual* (SAAM), issued by OFM. The effective date of these revisions is January 1, 2004.

Key changes to the policies include:

Chapter 10: Travel

Subsection 10.50.45 reflects the changes in purchasing airfare, in light of the new travel arrangement options available through the Department of General Administration.

Subsection 10.90.20 increases the mileage reimbursement rate for privately owned vehicles to the rate set by the United States Treasury Department as allowed by RCW 43.03.060. The rate for January 1, 2004, will be \$.375, an increase from \$.345. The state is also adopting the rates set by the United States Treasury Department for motorcycles and private aircraft.

Other minor changes can be identified by an effective date of January 1, 2004.

Chapter 25: Payroll

Subsection 25.10.40.b has been expanded to include a chart depicting when full time equivalents (FTEs) should be recorded along with the associated payroll transactions. Guidance on the proper accounting for the state/federal work study program activity 690 is also added.

Subsection 25.20.40 adds health insurance reconciliations to the list of recommended monthly payroll reconciliations.

Subsection 25.30.40 is updated to provide contact information for the Internal Revenue Service (IRS) and Social Security Administration (SSA) to assist agencies in understanding taxability of fringe benefits.

Subsection 25.30.50 is added to provide state policy requirements for cash-out payments of compensatory time.

Subsection 25.40.10 is updated to reflect a change in state law and rules that expands the shared leave program to cover state employees called to service in the uniformed services. Additionally, the state fringe benefit rate, used to determine the total cost of shared leave transactions, has been lowered from 40% to 38% effective January 1, 2004.

Subsection 25.40.40 is updated to conform to laws, rules and policies related to the recovery of time loss compensation received by employees while absent from work and in approved disability status under the state workers' compensation program.

Subsection 25.60 reflects expanded wage assignment and garnishment policy prepared in conjunction with the Office of the Attorney General.

Subsection 25.70.30 is updated and reflects 2003 legislation to increase to \$10,000 the maximum that can be distributed for deceased employees. Additionally, new claim forms have been added allowing claimants the option of not having claim forms notarized when filing for amounts due.

Subsection 25.80 is a new section implementing 2003 legislation regarding wage overpayments and establishing 'due process' requirements for collecting amounts from employees who have been overpaid.

Other minor changes can be identified by an effective date of January 1, 2004.

Chapter 50 – Federal Compliance

Subsection 50.10 updates federal requirements regarding annual U.S. information returns. Reference is provided to the important SSA and IRS taxpayer identification number (TIN) verification programs available to agencies to avoid risk of reporting incorrect TIN information to the federal agencies.

Chapter 60 – Moving Expenses

Clarified responsibilities relating to moving expenses in Section 60.10.

The policies and procedures prescribed in SAAM are the minimum requirements that state agencies must meet. An agency may adopt more restrictive or detailed policies as long as the agency meets the required minimum standards.

All OFM directives and policies are available on our web site at <http://www.ofm.wa.gov/accounting/policies.htm>. We encourage you to use the on-line version of SAAM, as it includes all technical corrections made between formal policy updates, which are published under directives.

The superseded policies and additional resources are also available on our Administrative and Accounting Resources web site at <http://www.ofm.wa.gov/policy/resource.htm>.

Questions regarding all other manual content and proper interpretation should be directed to the OFM Accounting Consultant assigned to your agency.



*Have a
Safe and
Happy
New Year!*

Administrative and Accounting Resources Website Additions

Along with the updates to Chapter 25 discussed above, we have addressed numerous payroll related topics on our Administrative and Accounting Resources website at: <http://www.ofm.wa.gov/policy/resource.htm>.

The topics include:

- A listing of state paydates, state and federal holidays, and deposit rules for payrolls having \$100,000 or more in employment taxes.
- A sample case and optional worksheets for donation and reversion of shared leave.
- The extensive training handout that was developed by the Attorney General's Office for a recent training class on garnishments and other withholding documents. Also included are additional Excel calculation worksheets to determine disposable earnings subject to garnishment.
- A sample "Authorization for Electronic Funds Transfer (EFT) of Wages" direct deposit form.
- Detailed procedures on how to file claims for amounts due to deceased employees.